



November 11, 2005

To: Government Oversight Committee

From: Jennifer Acton

Re: Sixty-Five Cent E911 Wireless Surcharge First Calendar Quarter Report (July through September 2005)

The Legislative Services Agency has received the 3rd calendar quarter report from the office of Homeland Security and Emergency Management Division as required in Section 34A.7A(3)(b), Code of Iowa.

The Division received \$3.0 million in revenue from the \$0.65 E911 wireless surcharge. This is an increase of \$5,000 compared to the previous quarter. Chapter 34A.7A, Code of Iowa, specifies the priority order in which the collected surcharge funds are to be expended. The total expended this quarter was \$2.8 million. Listed below, by priority order, are the amounts expended:

- \$50,000 per quarter for administration which includes 2.5 FTE positions, an annual audit, and program operating costs. Intent language in HF 811 (FY 2006 Justice System Appropriations Act) specifies that up to \$200,000 of the wireless surcharge money may be used for these expenses each fiscal year.
- \$615,000 for wireless service providers cost recovery. This is an increase of \$1,000 compared to the previous quarter. The \$615,000 reflects 21.0% of the revenue generated, which is allocated to the wireless carriers to recover costs associated with providing wireless E911 Phase 1 (tower address, call back number) service.
- \$275,000 for wire-line transport costs for local carriers. This is a decrease of \$5,000 compared to the previous quarter. This amount is a reimbursement to telephone companies for their actual costs of transporting the wireless E911 call from the selective router to the Public Safety Answering Point (PSAP).
- \$1.3 million for automated location information costs for local carriers. This is an increase of \$151,000 compared to the previous quarter. This amount is a reimbursement to companies that provide Automatic Location Information (ALI) database services and selective routing.
- \$500,000 for debt retirement (with a remaining debt balance of \$262,000). The outstanding debt was accrued from E911 Phase 1 obligations incurred prior to July 1, 2004.

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- \$159,000 for the Public Safety Answering Points System (PSAPS). There are currently 124 PSAPS which provide 55,996 square miles of service. This past quarter, the PSAPS received 137,395 wireless calls. A minimum of \$1,000 per quarter, per PSAP is expended as long as the debt is still outstanding. Once the debt is retired during this next quarter, the remaining \$238,000 will be pro-rated by the formula to the PSAPS. Starting in the first calendar quarter of 2006, the amount to the PSAPS will increase to 24.0% of the surcharge generated. The funds will be distributed to the PSAPS based on the following formula: 65.0% of the total based on the square mileage of the local 911 service area and 35.0% of the total based on the volume of the wireless E911 calls that the PSAPS receive. (The town of Muscatine PSAP merged with the Muscatine County Sheriff's Office which reduced the number of PSAPS from 125 to 124.)
- \$97,000 carryover for future Phase 2 network and PSAP upgrades and improvements. There was \$360,000 in carryover from the previous quarter for a total of \$457,000 in carryover funds available.
  - The Division will be expending up to \$20,000 per PSAP on the remaining 18 PSAPS that are currently without any Phase 2 mapping software. The remaining \$97,000 will be used to research Voice over Internet (VoIP) with Qwest. The technology would replace the inbound trunk router with an internet protocol (IP) based environment.

### **Phase 2 Status Update**

At present time, there are 75 PSAPS where the Phase 2 mapping software has been deployed. There are 17 PSAPS where the mapping is currently being deployed, 14 PSAPS where Phase 2 service has been requested, and 18 PSAPS where there is no mapping software. The Division is preparing to finalize the mapping projects for the 18 remaining PSAPS. The majority of the mapping installations are scheduled to be completed by January 1 with the remainder completed by mid-February.

Pursuant to SF 2298 (FY 2005 Omnibus Appropriations Act), the Oversight Committee is required to review the priority order of the distribution of funds every two years. The next review is July 2006.

An updated **Issue Review** is available at:  
<http://www.legis.state.ia.us/lsadocs/IssReview/2006/IRJDA001.PDF>.